

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 91-040-C - ORDER NO. 92-511 ✓  
August 26, 1992

IN RE: Proceeding to Consider Revision of the ) ORDER APPROVING  
Application Form and Guidelines for ) REVISIONS AND  
Customer Owned Coin or Coinless Pay ) GUIDELINES  
Telephones. )

I.

INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of a Generic Proceeding instigated by the Commission to address revisions and updates to the Application Form and the Commission Guidelines for Customer Owned Coin or Coinless Pay Telephones (COCOTs) in the State of South Carolina.

The matter was duly noticed to the public and all jurisdictional COCOT providers were notified of the proposed revised application and proposed guidelines. Thereafter, the following intervened in the proceeding and were made parties thereto: PayTel Communications, Inc. and Coin Telephones, Inc. (PayTel and Coin), SC Public Communication Association (SCPCA), Southern Bell Telephone and Telegraph Company (Southern Bell), Pond Branch Telephone Company, Inc., (Pond Branch), AT&T Communications of the Southern States (AT&T), MCI

Telecommunications Corporation (MCI), and South Carolina Department of Consumer Affairs (the Consumer Advocate).

Thereafter, a public hearing was duly held on October 17, 1991, commencing at 10:30 a.m. in the Commission's Hearing Room, the Honorable Marjorie Amos-Frazier, presiding. Marsha A. Ward, General Counsel, represented the Commission Staff; John F. Beach, Esquire, represented PayTel and Coin; Leon C. Banks, Esquire, and Bruce Renard, Esquire, represented SCPCA; Caroline N. Watson, Esquire, represented Southern Bell; M. John Bowen, Jr., Esquire, represented Pond Branch; Frances P. Mood, Esquire, and Roger A. Briney, Esquire, represented AT&T; D. Christian Goodall, Esquire, represented MCI; and Carl F. McIntosh, Esquire, represented the Consumer Advocate.

James M. McDaniel, Chief of the Commission's Telecommunications Department presented testimony in support of Staff's proposed revisions and guidelines; B. Reid Presson, Vice-President of Regulatory Affairs for Intellicall, Inc. (Intellicall) presented testimony on behalf of PayTel and Coin; C.L. Addis, Staff Manager/Regulatory Matters for Southern Bell, presented testimony on behalf of Southern Bell's position; N. Everette Kneece, President of Pond Branch Telephone Company, Inc., presented testimony in support of Pond Branch's position; and Tramell R. Alexender, Manager, State Government Affairs, presented testimony on behalf of AT&T. After the close of the hearing, the participating parties duly filed comments and recommendations based on the evidence of record presented to the Commission. The

Commission has considered the testimony and evidence presented at the hearing, as well as the comments and recommendations of the parties that so filed.<sup>1</sup>

The Commission Staff, through the testimony of witness McDaniel, presented a revised Application Form, as well as Guidelines for certified COCOT providers to adhere to. The other parties in this matter presented testimony concurring with many aspects of the Commission Staff's proposals, but also suggesting certain changes be made in some aspects of both the Application Form and the Proposed Guidelines. The Commission will address the areas of disagreement between the Staff's Proposed Application Form and Guidelines, and those of the participating parties in this Docket. The Commission will address first the issues raised in the Application Form and then the issues raised by the Proposed Guidelines.

## II.

### APPLICATION FORM

#### A. Sections I&II

There were no issues raised by any parties dealing with Section I or Section II of the Application Form.

#### B. Section III

As to Section III dealing with the financial and location information, the SCPCA objected to the annual reports filed by the

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1. The Division of Information Resource Management (DIRM), Farmer's Telephone Cooperative (Farmer's), United Telephone Company of the Carolina's (United) and Teleco International also filed comments in this proceeding.

COCOT providers not being proprietary information. The SCPCA was concerned with a competitor or third party having access to a COCOT provider's financial information. Similarly, PayTel and Coin objected to the Annual Reports not being proprietary because of the competitive nature of the prison service industry, as well as the COCOT industry as a whole.

All utilities and motor carriers regulated by the Commission are required to file Annual Reports. These reports and the format in which they are filed, are set forth by the Commission and sent to the jurisdictional utilities and motor carriers for their filing and compliance. Every utility and every motor carrier regulated by this Commission is subject to the filing requirement. The Commission is of the opinion that this information is public information, since it is required to be filed by the Commission as part of its regulatory oversight. Many of the industries regulated by the Commission operate in a competitive environment. The Commission sees no need for the COCOT industry to be subject to different treatment by the Commission than any other utility. There are many different types of utilities that operate in a competitive environment and the filing of these Annual Reports does not, in the Commission's opinion, seem to hamper or thwart the competitive environment or the regulated companies operating in such an environment. Therefore, the Annual Reports filed by COCOT providers shall be treated the same as any other jurisdictional utility or motor carrier filing an Annual Report with this Commission.

As to Requirements 2, 3, and 4 of Section III, no changes were proposed by any parties. Under Requirement 5 of Section III, the SCPCA suggested that instead of information being kept current "at all times" that information should be submitted at least on a quarterly basis. Witness McDaniel recognized on cross-examination that in some instances, COCOT providers may have hundreds of phones and that a quarterly reporting basis for any changes would be more appropriate. Therefore, Paragraph 5 of Section III should be changed to read:

If not known at the time of the application, information should be provided within thirty (30) days from the date of certification. Location information should be kept current at all times and updated listings should be submitted at least on a quarterly basis. Telephone instruments found without information available in the files of the Public Service Commission will be subject to disconnection or penalty if the information is not provided within ten (10) days from the provision of notice to the COCOT provider.

Requirement 6 of Section III was not objected to by any of the parties.

#### Section IV

There was no proposed changes to Staff's Paragraphs 1, 2, and 3. As to Paragraph 4, it was clarified on cross-examination of witness McDaniel that the Commission Staff wants the information so that the Commission will have a record of the party who is responsible for the maintenance of the phone. This would help alleviate situations the Staff has been aware of in the past where a provider has abandoned the phone, and the Commission Staff has been unable to refer a location owner to the proper person for

maintenance on a specific COCOT phone. The intent of the requirement is to obtain the information so that the Staff may have a reference to a proper party to notify if that phone is abandoned. Therefore, in order to clarify Paragraph 4 of Section IV, the Commission will change the language to read: "Please provide name of individual or company responsible for maintaining phone, plus address and telephone numbers if other than owner."

#### Section V

There were no changes proposed to Section V.

#### III.

#### SAMPLE PAGE

No party suggested a change to the Sample Form of information required to be on a COCOT phone. However, the SCPCA suggested that the top of the form be amended to state and clarify that all information is needed, but not necessarily in this format. The Commission has considered the suggestion and finds that it has merit. The Commission is of the opinion that the public should be informed about the operation of the customer owned pay telephone and charges associated with the use of the instrument. The Commission will not require that the format be in the exact manner depicted in the sample, but will require that all information on the sample be readily and easily available and accessible to the using public. See Section IV, paragraphs b, c, d, and e.

IV.

GUIDELINES

The Commission Staff, through witness McDaniel also suggested guidelines for the connection of privately owned coin and/or coinless pay telephones in South Carolina. The Commission Staff proposed twenty-eight (28) guidelines to be adhered to by COCOT providers in South Carolina. The parties to the Docket also filed comments to Staff's guidelines, and the Commission will discuss those guidelines that were either objected to, commented on, or in controversy during the proceeding.

a. COCOT Connection to LEC Network

There was no proposed change to Guideline No. 1 proposed by the Commission Staff. Therefore, COCOTs must be connected to the local exchange company's network in compliance with Part 68 of the Federal Communications Commission Rules and Regulations.

b. Access 911, 411, D.A.

This guideline deals with access to 911, 411, and operator assisted calls. AT&T proposed that the language stating that the local exchange company's rate for an intrastate interLATA or intraLATA directory assistance call should not be exceeded, be deleted. Instead, AT&T proposed that a 24-hour toll-free access should be required so that an end-user may have access to such information.

While the Commission recognizes AT&T's argument that interexchange companies which are subject to competition should not be constrained by the LEC as to intraLATA directory assistance

rates, that is not the main concern here. The Commission is more concerned that the end-user should pay an appropriate rate for directory assistance charges. The Commission is concerned that AT&T's proposal would not give the Commission or the end-user any assurance of what the appropriate charge for directory assistance would be in those circumstances. Therefore, the Commission will maintain the proposed requirement that the charge for intrastate intraLATA or interLATA directory assistance should not exceed those approved for the LEC on a intrastate basis. Additionally, the end-user shall be able to access an operator, 911 where available, and the local directory assistance operator at no charge.

c. Posting of Emergency Numbers

No party proposed to change Guideline No. 3. Therefore, emergency numbers (operator assistance and 911) must be clearly posted at each location of a COCOT.

d. Information Displayed on the Phone

The SCPCA suggested that the provision that notice should be posted that the COCOT telephone is not provided by the LEC be deleted. The Commission sees the logic of this argument and is of the opinion that it is more important that the end-user know who the COCOT phone is provided by instead of who it is not provided by. Therefore, Guideline No. 4 should read as follows:



Information must be displayed on the COCOT consisting of the telephone numbers where a caller can obtain assistance in the event the COCOT malfunctions in any way and procedures for obtaining a refund from the COCOT provider.

e. Posting of COCOT Number and Address

No party proposed any changes to Guideline No. 5.

f. Hearing/Handicapped Requirements

The SCPCA proposed that the guideline allow existing phones to be "grandfathered" in, and banks of phones be allowed to utilize a one out of ten ratio of handicapped access requirements. PayTel and Coin recommended that one pay telephone per phone bank be required to meet the handicapped needs. The Commission has considered the proposals of the parties and finds that the Commission will require that COCOT providers provide access to handicapped and hearing impaired end-users as required under the American Disabilities Act (ADA) and any applicable Federal or State requirements. If grandfathering is allowed under the ADA or any law, it will be the responsibility of the COCOT provider to ensure that such is in compliance with the law. Therefore, each COCOT provider shall ensure that the COCOT is provisioned in accordance with all hearing impaired requirements and provides the handicapped access in accordance with any applicable statutory requirements.

g. Installation in Accordance with Electric Codes Standards

No party suggested any changes to the requirement that COCOTs be installed in compliance with all accepted telecommunication industry standards, the current National Electric Code, and the National Electric Safety Code. Therefore, that provision will remain as proposed by Staff.

h. Charge to COCOT End-User

During the cross-examination of Staff witness McDaniel, he agreed that the intent of Requirement No. 8 was that the guideline should apply to local coin sent calls. Therefore, the charge to a user of a COCOT for a local coin sent call may not exceed the charge authorized by this Commission for coin service provided by the local exchange company.

i. Coin Return

No party proposed any changes to the recommendation that all COCOTs in service must return the coins to the end-user in the event of an incomplete call.

j. Time Limits

The SCPCA suggested that the issue of time limits should be addressed in a future proceeding. The Commission recognizes that as to areas where measured extended area service (MEAS) is in effect that the issue of time limits should be examined. Where MEAS is not in effect, it is appropriate for the Staff recommendation to remain as proposed and that is that no time limit may be imposed on the duration of any local call made from a COCOT phone. The Commission herein will set up a docket to address the

issue of time limits from pay telephones in areas where MEAS is offered. As to PayTel's and Coin's concern of time limits, paragraph dd addresses that issue.

k. IntraLATA Long Distance Rates/Surcharge

The Commission Staff proposed that coin sent rates charged to the end-user for intrastate intraLATA long distance service should be no higher than Southern Bell's rates as approved by the Commission. The intent of this language is that the coin sent rates should be no higher than the maximum rates that Southern Bell has on file. This would allow the Commission to adequately monitor the charges of COCOT providers for coin sent intraLATA long distance rates. Additionally, Staff proposed that a surcharge not to exceed \$1.00 may be allowed to be added by a COCOT provider to an end-user's coin sent call. According to witness McDaniel, the dollar amount was recommended because of an earlier policy established by the Commission in orders dealing with the certification of Alternate Operator Service (AOS) providers. Witness McDaniel noted that this Commission policy of allowing a dollar surcharge for AOS providers did not bind the Commission in its determination of the appropriate level of surcharge which may be allowed to be charged by the COCOT providers. Mr. McDaniel noted that in other states, a surcharge in the amount of 25¢ has been approved. The Commission has determined that the \$1.00 maximum surcharge is not appropriate in this instance. The Commission does find that it would be appropriate for a 25¢ charge to be added to compensate the COCOT provider for the use of the

phone for coin sent toll calls. The COCOT would be billed for the call by the LEC or authorized IXC.

1. InterLATA Long Distance Rates/Surcharge

This provision relates to coin sent rates charged the end-user for intrastate interLATA long distance service. Staff's proposal was that the coin sent rates should be no higher than AT&T's rates as approved by this Commission. Again, the Commission finds that it is appropriate that the rates for intrastate interLATA long distance service from COCOT provided phones for coin sent rates should be no higher than AT&T's maximum rates on file with the Commission. Also, as provided for in Paragraph K above, a charge of 25¢ may be added.

m. Dial-Around Access

SCPCA proposed some revisions to the Staff proposal dealing with dial/around access. The SCPCA proposed that the rule specify that alternative access be required only where screening facilities are available. AT&T suggested that the regulations be modified to require that customers be able to access their carrier of choice by whichever dialing sequence (e.g., 1-800-XXX-XXXX, 950-XXXX, or 10XXX0+) is chosen by that carrier, whether the set is coin operated or coinless. Additionally, the issue of compensation to the COCOT provider from the interexchange carrier accessed was raised by PayTel and Coin. Southern Bell proposed that certain language be added to the guideline which would require that all local and intraLATA non-sent paid calls and 0- calls from coinless phones be routed to the LEC for completion unless specifically

waived by the Commission.

The Commission has considered the proposals of the other parties and the concerns expressed concerning fraud and compensation. The Commission will require that the end-user must be provided access to his carrier of choice by all COCOTs, including coin operated or coinless phones. This requires that such access must be given to all interexchange carriers certified by the Commission to provide intrastate service in South Carolina, and who are in fact offering service in the geographic area in which the COCOT instrument is located. The caller must be permitted to access his interexchange carrier by means of the dialing sequence chosen by that carrier. The dialing sequence chosen by the carrier should include the option of placing a 0+ call without operator intervention or a 00- call to access the interexchange carrier operator. The proposal of Southern Bell should be added to require that all local and intraLATA non-sent paid calls and 0- calls (as dialed by the end-user) be routed to the local exchange carrier for completion unless specifically waived by the Commission. As to the issue of compensation upon implementation of dial-around access, the Commission will herein require that a proceeding be implemented by the Commission Staff to allow interested parties to address this issue.

n. LEC Exemption from Certification

The Commission Staff proposed that the COCOT provider must apply for and receive a certificate from the Public Service Commission of South Carolina before the local exchange company

connects the public telephone access line(s). Proof of certification must be furnished by the COCOT provider to the local exchange company. Staff also proposed that local exchange companies be exempt from the certification requirements.

The Commission finds that Commission Staff proposal should be adopted. Local exchange companies are exempt from the certification requirement because they are required to provide public pay telephones where COCOT providers are not required to do so.

o. Two-way Calling/Restrictions on Incoming Calls

The Commission Staff proposed that coin owned public telephone access lines will only be provided as a two-way service unless a specific exception to restrict incoming calls is requested by the COCOT provider and allowed by the Commission. Staff proposed that there be no charge imposed for incoming calls. The Commission finds that the Staff's proposal is appropriate as is Southern Bell's proposal which suggested that the Commission add that where incoming calls are not received, intercept shall be provided. Southern Bell explained that this sentence is needed to ensure that the calling party is informed that the called number cannot receive incoming calls. This will eliminate inconvenience to the calling party and the possibility of erroneous trouble reports to the LEC's repair service or the operator, which generate additional costs that have to be borne by the general ratepayer. The Commission concurs and finds that this provision should be added to the guideline. Furthermore, the Commission will require local exchange

companies where technically possible, to provide such intercept without imposing a charge.

p. COCOTs Capable of Completing Local and Toll Calls

Staff proposed that all COCOTs must be capable of completing local and toll calls. No party suggested any changes to this guideline. Therefore, the Commission will approve this requirement.

q. Separate COCOT Access Line

The Commission Staff proposed that the COCOT provider (owner) must order a separate public telephone access line for each COCOT installed unless specifically exempted by the Commission. The Staff proposed that the COCOT provider be billed the tariffed rate for each line, and the proposal states that a COCOT may not be connected behind a private branch exchange or any other private switching system. Further, the guideline requires that the access line be placed in the owner's (certificate holder's) name and the owner will be responsible for all billing.

AT&T suggested that the requirement that the access line be placed in the owner's name and that the owner be responsible for the billing be deleted. Southern Bell suggested that language be added which states that the COCOT line shall not be connected for use for any other purpose than for the provision of COCOT service and that the LEC be allowed to charge a reconnection/restoration charge if the service is disconnected or denied at the request of the Commission.

The Commission has determined that AT&T's proposal to delete

the reference regarding the access line being placed in the owner's name and the owner being responsible for the billing would make it more difficult for the Commission Staff to monitor whether or not the COCOT provider is in compliance with these guidelines and to determine the responsible party for compliance. Therefore, the Commission will maintain the requirement that the access line be placed in the owner's (certificate holder's) name and will be responsible for the billing. Additionally, the Commission will adopt Southern Bell's suggestion that the COCOT line not be connected for use for any other purpose other than providing COCOT service. This will ensure that the phone is available at all times to be used for COCOT service. Additionally, the Commission agrees that a reconnection/restoral charge should also be allowed to be imposed by the LEC to ensure that the cost for the action is borne by the cost causer and not the ratepayer.

r. COCOT Access Line Rates

The Commission Staff proposed that the rates for customer owned public telephone access line be those rates approved for each local exchange company and reflected in each company's General Subscriber Services Tariff. No party filed comments or changes to this proposal. Therefore, the Commission will adopt this requirement.

s. Instructions and Notice Information on the COCOT Phone

The Commission Staff proposed several requirements that certain information be disclosed on the telephone instrument or within twelve (12) inches of the instrument. The gist of the



information would require that the name of the AOS provider or interexchange carrier be listed, that the customer be informed that toll service will be provided by the AOS provider or interexchange carrier and billed by that AOS provider or interexchange carrier at its rates, that the AOS provider's or interexchange carrier's rates may be obtained by calling the operator or the number displayed on the instrument, and the method by which the customer may reach the local exchange company operator. Also, the proposal requires that an end-user desiring to use another interexchange carrier be provided means to access the alternate operator. This information is consistent with the sample information discussed earlier in Section III.

AT&T suggested that the statement referring to the billing by the AOS provider or interexchange carrier at its rates be deleted. This is consistent with the position taken by AT&T discussed in Paragraph b above. For the reasons earlier discussed by the Commission, AT&T's proposal will not be adopted by the Commission. Therefore, the Staff's proposal will be adopted. Additionally, each COCOT provider shall maintain a current copy of its customer information/instruction form with the Commission.

t. LEC Operator Access by Dialing "0"

The Commission Staff proposed that the LEC operator must be accessed through the use of "0" from each COCOT. All 0+ or 0- local and intraLATA calls must be routed to the LEC. The only comments directed to this requirement came from PayTel and Coin. Based upon the Commission's determinations in section dd, infra, the Staff's proposal will be adopted.

u. InterLATA Access to Operator by Dialing "00" or "0+"

The Commission Staff proposed that access to the interLATA operator may be provided by "00" or "0+" for interLATA calls from each COCOT. "00" shall not be used from any COCOT to reach the LEC's operator. AT&T suggested that the reference be made to the "presubscribed" interLATA operator. The Commission finds that AT&T's proposal is a more accurate description and should be incorporated into Guideline No. 21. Therefore, access to the presubscribed interLATA operator may be provided by "00" or "0+" for interLATA calling from each COCOT.

v. Newly Certified COCOTs to Provide Location List

No party filed comments to Guideline No. 22. Therefore, the Commission adopts the recommended guideline.

w. Staff Inspections of COCOT Phones

Several parties made suggestions to changes on the Commission Staff's proposal dealing with Staff inspections of COCOT phones. The SCPCA suggested that only new applicants' initial locations be inspected by the Commission Staff, and that if violations are found on these particular phones, the Staff would issue written notice to

the LEC to discontinue service to all of that applicant's COCOTs within the State of South Carolina. The SCPCA also suggested that ten (10) days instead of seven (7) be given to the COCOT to correct the problem. AT&T proposed that the Staff check only new Applicant's initial locations within the first six (6) months of operations. Violations would result only in the disconnection of that particular COCOT instrument which exhibits the problems. After the first six (6) months, violations which are found will be brought to the attention of the COCOT owner, who would have ten (10) days to respond and make corrections. PayTel and Coin suggested that the rule be amended to clarify that "ex parte" termination will only occur as a result of a violation found during the initial inspection of a COCOT's system. They also suggested that ten (10) days be given to correct subsequent violations. Southern Bell suggested that language be added which would allow the LEC to charge the COCOT for reconnection in the event the Commission orders disconnection of telephone access service due to a rule violation.

The Commission has considered the proposal of the Staff, as well as the proposals of the other parties. The Commission is of the opinion that the guidelines should be amended to require that as to initial locations, that those be confined to new applicants' initial locations, and that the LEC should be given written notice by the Commission Staff before disconnection is made. As to any subsequent violations, the owner will be given ten (10) days from the date of notification to respond and correct the violation.

Failure to correct violations and respond to notification will result in the discontinuance of service. The Commission has addressed the restoration/reconnection charge in Paragraph q, supra.

x. Interstate Rates to be on File with the Commission

Staff proposed that interstate rates and charges be maintained on file with the Commission. AT&T proposed that this requirement be deleted. No other party filed comments to this guideline. The Commission has considered the proposal of AT&T and finds that it is not necessary that interstate rates be on file or maintained with the Commission. The Commission does not have jurisdiction of any long distance company's interstate rates and finds that it is not necessary for such rates and charges to be on file with this Commission. Therefore, the guideline will be deleted.

y. Automated Operator Collect Services to Direct

Local and IntraLATA Traffic to the LEC

The Commission Staff suggested that pay telephone providers using automated operator service be required to direct all local and intraLATA long distance calls to the local exchange carrier. AT&T suggested that a local exchange carrier be changed to "company." PayTel and Coin proposed that the rule be clarified to specifically state that a COCOT holding a standard COCOT certificate may provide coinless interLATA service.

The Commission has considered the proposals of the Staff, as well as the proposals of the other parties in the matter. The Commission finds that there is no automated operator authority

granted through a standard COCOT certificate. The Commission has previously determined that COCOTs providing such automated operator services should be certificated to provide long distance service by the Commission. This would be done in a separate proceeding so that the COCOT providing automated operator service on either an interLATA or intraLATA and local basis would be properly certified by the Commission.<sup>2</sup> Therefore, the Commission clarifies the guideline to state that a standard COCOT certificate holder may not provide automated operator service without proper authority by the Commission. Additionally, the Commission has determined that these automated operator service calls on a local and intraLATA basis should be completed as dialed by the end-user without any change in the digits dialed.

#### z. COCOT Annual Reports

The Commission Staff proposed that COCOT providers be required to file Annual Reports on June 30th of each year and specified certain information that the report should provide. AT&T proposed that certified interexchange carriers who are also certified as COCOT providers should be exempt from this annual filing requirement.

The Commission has considered AT&T's proposal and finds that if a COCOT provider is also a certified interexchange carrier, it may provide one (1) Annual Report which would include the pertinent

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2. The Commission has previously determined that intraLATA and local automated operator service that allows collect only calling be provided only by authorized COCOT providers and may only be offered from confinement facilities.

information relating to its COCOT activities.

aa. Provision of COCOT Contact Personnel

The Commission Staff proposed that the COCOT provider be required to provide the Commission within ten (10) days of receipt of its certificate, the individual and the telephone number that the Commission Staff may contact concerning the COCOT phones connected pursuant to the certificate. No party filed any comments to this requirement. Therefore, the Commission will adopt this guideline as proposed by the Staff.

bb. Staff Request for Inspection Assistance from LEC

The Commission Staff proposed that the local exchange company be "requested to assist the Staff with the inspection of customer owned coin or coinless pay telephones in conjunction with the receipt of a complaint from an end-user."

AT&T proposed that the word "cooperate" be substituted for the word "assist." The SCPCA also prefers that the term "cooperate" be used and would further add that violations reported by the LEC must be verified by the Commission Staff. In consideration of the suggestions and proposals of the parties, the Commission has determined that a local exchange company may be requested to "cooperate" with the Staff in the inspection of customer owned coin or coinless pay telephones in conjunction with the receipt of a complaint from an end-user. Violations reported by the LEC will be verified by the Commission Staff before any action is taken.

cc. Requirement of Telephone Directory

Southern Bell suggested that a telephone directory for the

local calling area must be located at the COCOT instrument at all times. The Commission has considered this proposal and finds that this guideline is necessary to ensure that the end-user has access to a telephone directory. This would also help keep the number of directory assistance calls required from the COCOT phones to a minimum for the local exchange area.

dd. Other Issues

The issue of whether or not a local exchange company may charge the COCOT provider for directory assistance charges was raised through the pre-filed and direct testimony of Everette Kneece, President of Pond Branch Telephone Company, Inc. Mr. Kneece stated that Pond Branch does not provide its own operator services for directory assistance (DA) and has been charged for such service on a per-message basis by the provider of that service to Pond Branch. The Company does not charge for DA, either local or long distance, to persons using Pond Branch's pay telephones. Therefore, the charges by DA service providers to Pond Branch must be absorbed by the Company. Mr. Kneece went on to state that providing DA service to the COCOTs without charging for the cost of the operator service provider places Pond Branch in a position of not only having to absorb DA costs with respect to its pay telephones, but also having to absorb the operator services provider costs to the COCOT pay telephones. Mr. Kneece stated that his company does not feel that this is appropriate. Mr. Kneece stated that, while the rates for local exchange service have remained the same for Pond Branch, the amount of DA charges has

continued to increase due to an increased local calling volume at COCOT locations, more COCOT locations, and the lack of a local telephone directory being in place and available to persons utilizing the COCOT pay telephone. Mr. Kneece expressed concern that the trend is that the revenues received for the provision of service to the COCOT provider has been exceeded by the DA charges being charged to Pond Branch by an operator service provider for certain of its COCOT telephones. Mr. Kneece requested that the Commission require the vendors of COCOT services pay the cost of DA requests incurred by local exchange companies from the DA service providers. Mr. Kneece indicated that this would basically be a pass through of these charges without the LEC making any return from this service. The Commission has considered the request of Pond Branch and finds that the cost for directory assistance may be passed on to the COCOT provider. The Commission is of the opinion that these costs should be appropriately borne by the COCOT provider and not the local exchange company.

Southern Bell, through the testimony of Mr. Addis supported a 25¢ surcharge which Southern Bell has designated as a set-use charge. This would apply to all non-sent paid operator assisted 0- and 0+ local, intraLATA and interLATA type calls made from any pay telephone (LEC or Non-LEC). Such a charge was ordered by the Florida Public Service Commission in Docket 860723-TT, Order No. 24101, dated February 14, 1991. Southern Bell supports the addition of this charge for all pay telephones in South Carolina. Mr. Addis testified that a set-use charge which would be applied



only to those sets owned or operated by non-LECs would be discriminatory.

The Commission has considered the proposal of Southern Bell and finds that a set-use charge should be denied at this time. The Commission is of the opinion that this would increase the cost for an end-user using a pay telephone. This proposal is a departure from the traditional method of providing pay telephones in South Carolina. The Commission is of the opinion that sufficient information was not presented to support such a departure from the current policy.

Southern Bell also suggested that COCOT instruments with automated collect capabilities be programmed to require a positive response from the called party before completing the call. In the absence of such positive response or a transfer to a live operator, the calls should be terminated. Southern Bell makes this suggestion to ensure that no customer is billed for unaccepted collect calls. The Commission has considered this proposal and finds that it is not appropriate to include this within guidelines for COCOT providers. The automated collect calling capabilities are not a standard part of the COCOT certificate and should be addressed in a separate request from a COCOT seeking to provide automated collect calling.

The comments of PayTel and Coin and the testimony of witness Presson indicated that some confusion would surround the COCOT rules and whether they applied to prison service providers. The Commission has considered the proposals of PayTel and Coin in this

regard and finds that a COCOT certificate must be obtained before a COCOT provider places it phones in any facility. If such guidelines conflict with the type of service sought to be provided in a confinement facility, then that COCOT provider must seek a specific exception from such requirement from the Commission. The Commission does not wish to impose yet another set of guidelines on the confinement facility COCOT providers and will require the providers to seek the exception of any particular guideline that conflicts with their proposed service from the Commission.

The Commission, as supported by the testimony of witness McDaniel, will apply these new guidelines as adopted by the Commission to all COCOT providers, both presently certified providers and future providers. All present COCOT providers will be required to resubmit the appropriate information on the Application Form, and will be required to adhere to the instant guidelines as adopted by the Commission. The Guidelines and the Application Form will become effective for all new applications on October 1, 1992, and all presently certified COCOT providers must return their completed applications by October 1, 1992.

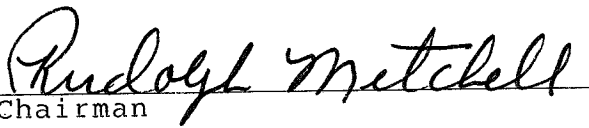
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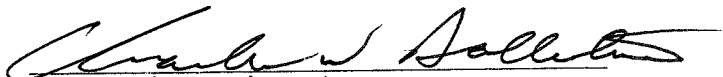
The Guidelines and the Application Form as approved herein are attached as Appendix A, and incorporated by reference.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:

  
VICE Chairman

ATTEST:

  
Executive Director

(SEAL)

CERTIFICATE NO. \_\_\_\_\_

APPLICATION TO PROVIDE CUSTOMER OWNED  
COIN/COINLESS PAY TELEPHONE SERVICE

SECTION I. APPLICANT'S ADDRESS

NAME OF APPLICANT (OWNER OF PAY TELEPHONE) \_\_\_\_\_

Address: Street \_\_\_\_\_ City \_\_\_\_\_

County \_\_\_\_\_ State & Zip \_\_\_\_\_

Name and telephone number of representative authorized to respond  
to Commission requests and authorized to receive correspondence  
from the Commission:

Name: \_\_\_\_\_ Telephone No: \_\_\_\_\_

SECTION II. ORGANIZATION

1. Type of organization:

Please check

- (a) Individual .....( )  
(b) Partnership .....( )  
(c) Corporation .....( )  
(d) Other (identify) .....( )

2. If a Corporation:

- (a) Attach a copy of Articles of Incorporation.  
(b) Non-resident corporation attach a copy of Certificate of  
Good Standing issued by the Secretary of State showing  
Corporation's authority to do business in South Carolina.

**SECTION III. FINANCIAL AND LOCALE**

1. Most Current Financial Statement: ATTACH TO APPLICATION.

2. Counties in South Carolina to be served: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. List each local exchange company in whose service area you wish to do business: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. States in which Applicant is currently providing service: \_\_\_\_\_  
\_\_\_\_\_

5. Locations of COCOTs:

If not known at time of application, information should be provided within thirty (30) days from date of Certification. Location information should be kept current at all times and updated listings should be submitted at least on a quarterly basis. Telephone instruments found without information available in the files of Public Service Commission will be subject to disconnection or penalty if information is not provided within ten (10) days from the provision of notice to the COCOT provider.

Phone Number	Locale	Street	City	LEC
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Attach additional sheets as needed.

6. Identify all long distance carriers, operator service providers, and other communicative services to which you have a relationship. This information should be kept current at all times.

#### SECTION IV. REPAIRS AND MAINTENANCE

1. List the manufacturer of the instrument(s) you intend to install:

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2. List the address and telephone number of the manufacturer(s) and the name of the manufacturer's contact person:

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3. Describe, in detail (coin, coinless, credit card), the instrument(s) to be installed and provide the FCC Registration Number for each type of instrument.

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4. How does Applicant intend to service and maintain each pay telephone?

- (a) Personally .....( )  
(b) Full-time technician .....( )  
(c) Part-time technician .....( )  
(d) Service/repair/maintenance contract (provide copy)....( )  
(e) Other, describe fully .....( )

Please provide name of individual or company responsible for maintaining phone, plus address and telephone number if other than owner.

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Attach a copy of any maintenance agreement distributed to location owners.

**SECTION V. AGREEMENT**

Owner/Officer of Corporation/Partner \_\_\_\_\_  
Address: Street \_\_\_\_\_ City \_\_\_\_\_  
County \_\_\_\_\_ State & Zip \_\_\_\_\_

Applicant understands that the filing of this application does not constitute authority to operate. Applicant agrees to inform the Public Service Commission of South Carolina of any changes in the ownership or location of the instrument(s), or any changes in the names or addresses contained herein within 30 days of such changes. The Applicant also agrees to adhere to and comply with the guidelines set forth by the Public Service Commission of South Carolina in relation to Customer Owned Coin/Coinless Operated Telephones. Applicant agrees that if violations of Commission Orders, Rules and Regulations, or Guidelines occur, phone service may be disconnected without notice except as provided in Section III, Paragraph 5, and/or the Certificate issued therein may be revoked.

\_\_\_\_\_  
Signature of Applicant

Subscribed and Sworn before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

\_\_\_\_\_  
(Notary Public)

(Seal)

S A M P L E

NOTE: ALL INFORMATION REQUIRED, BUT NOT NECESSARILY IN THIS SAME FORMAT.

CERTIFICATE NUMBER

Responsible Certificate Holder  
Party: \_\_\_\_\_

This phone is regulated by  
the Public Service Commission  
of South Carolina

WARNING: According to Federal  
Law, it is a felony to open  
the body of a public telephone or  
or cause damage to the telephone  
or to make it or its wires  
inoperative. Conviction can  
result in five years of  
imprisonment and a \$5,000 fine.

EMERGENCY..911 or 0(Free Calls)

LOCAL OPERATOR ...0

LONG DISTANCE OPERATOR...00

SERVICE & REPAIR.....

REFUND .....

PAY TELEPHONE NUMBER \_\_\_\_\_

- NO INCOMING CALLS AT THIS  
LOCATION

PAY TELEPHONE ADDRESS \_\_\_\_\_

TYPE OF CALL	LOCAL	WITHIN THIS AREA CODE	OUTSIDE THIS AREA CODE
COIN- Dial Number listen for instructions	Dial local no.	Dial 1 + Number	Dial 1 + Area Code + Number
CREDIT CARD, COLLECT, THIRD PARTY	Dial 0 + no.	Dial 0 + Number	Dial 0 + Area Code + Number
DIRECTORY ASSISTANCE	Dial 411(Free)	Dial 1 + 555-1212	Dial 1 + Area Code + 555-1212

LONG DISTANCE CARRIER  
\_\_\_\_\_

This Telephone has been prescribe to  
\_\_\_\_\_ as its Alternate Operator  
Service (AOS) provider, that long dis-  
tance service will be provide by \_\_\_\_\_  
and billed by \_\_\_\_\_ at its rates  
and that the rates may be obtained by  
dialing "00" (telephone number).  
To access other alternative carriers,  
follow the instructions given by that  
carrier.



**GUIDELINES FOR THE CONNECTION OF  
PRIVATELY OWNED COIN AND/OR COINLESS PAY  
TELEPHONES IN SOUTH CAROLINA**

1. COCOTS must be connected to the Local Exchange Company's network in compliance with Part 68 of the Federal Communications Commission Rules and Regulations.
2. The caller (user) will be able to access an Operator, 911 where available, and the Local Directory Assistance Operator (411) at no charge. The charge for Intrastate IntraLATA or InterLATA Directory Assistance should not exceed those approved for the LEC on an Intrastate basis.
3. Emergency numbers (operator assistance and 911) must be clearly posted at each location of a COCOT.
4. Information must be displayed on the COCOT consisting of the telephone numbers where a caller can obtain assistance in the event the COCOT malfunctions in any way, procedures for obtaining a refund from the COCOT Provider.
5. The telephone number and the location address of the COCOT must be displayed on each instrument.

6. The COCOT provider shall insure that the COCOT is provisioned in accordance with all hearing impaired requirements and provides the handicapped access in accordance with any applicable statutory requirements.
7. COCOTS shall be installed in compliance with all accepted telecommunications industry standards, the current National Electric Code, and the National Electric Safety Code.
8. The charge to a user of a COCOT for a local call may not exceed the charge authorized by this Commission for coin service provided by the Local Exchange Company.
9. All COCOTs in service must return the coins to the user in the event of an incomplete call.
10. No time limit may be imposed on the duration of any call made from a COCOT.
11. The coin-sent rates charged the caller for intrastate intraLATA long distance service shall be no higher than Southern Bell's rates as approved by this Commission. The provider may add or have added a surcharge not to exceed \$.25 (25 cents).

12. The coin-sent rates charged the caller for intrastate interLATA long distance service shall be no higher than AT&T Communication's rates as approved by this Commission. The provider may add or have a surcharge not to exceed \$ .25 (25 cents).
13. In order to provide the caller with access to his carrier of choice, all COCOTS (coin-operated or coinless) must provide access to all interexchange carriers certificated to provide intrastate service in South Carolina who are in fact offering service in the geographic area in which the COCOT instrument is located. Further, the caller must be permitted to access his or her interexchange carrier by means of the dialing sequence chosen by the carrier (e.g. 950-xxxx, 10xxx0+, or 1-800). The dialing sequence chosen by the carrier should include the option of placing a 0+ call without operator intervention or a 00- call to access the interexchange carrier operator. However, all local and intraLATA non-sent paid calls and 0- calls (as dialed by the end-user) shall be routed to the local exchange carrier for completion unless specifically waived by the Commission.

14. The COCOT provider must apply for and receive a Certificate from the Public Service Commission of South Carolina before the Local Exchange Company connects the public telephone access line(s). Proof of certification must be furnished by the COCOT provider to the Local Exchange Company. Local Exchange Companies are exempt from the certification requirements.
  
15. Coin Owned Public Telephone Access Lines will only be provided as two-way service unless a specific exception to restrict incoming calls is requested and received from the Commission. There will be no charge imposed for incoming calls. Coinless Public Telephones do not have to receive incoming calls if the agent of the premises upon which such telephones are installed does not wish such calls to be received. Any providers that have restricted incoming calls to their pay telephones, must include in the instruction a message or statement indicating that incoming calls cannot be received on this pay telephone. Further, for COCOT locations where incoming calls are not received, all COCOT providers are required to have an intercept placed on the access line to indicate the called number is unable to receive incoming calls, where the local exchange carrier's facilities provide such an intercept. Local Exchange Companies are required to provide such intercept without charge.

16. All COCOTS must be capable of completing local and toll calls.
17. A COCOT provider (owner) must order a separate public telephone access line for each COCOT installed, unless specifically exempted by the Commission, and will be billed the tariffed rate for each line. A COCOT can not be connected behind a Private Branch Exchange or any other private switching system. The access line will be placed in the owner's name (certificate holder's) and the owner will be responsible for all billing. The public telephone access line connected to the COCOT should not be used for any other purpose than the provision of COCOT Services. The LEC is allowed to charge a reconnection/ restoral charge to reconnect the service when disconnected for non-compliance with guidelines.
18. The rates for Customer Owned Public Telephone Access Lines will be approved by this Commission for each Local Exchange Company and will be reflected in the Company's General Subscriber Services Tariff.

19. The owner of the instrument shall place on the telephone instrument (COCOT) or within 12 inches of the instrument a clear and conspicuous disclosure that "the telephone has been presubscribed to the name of AOS provider or interexchange carrier, that toll service will be provided by the AOS provider or interexchange carrier and billed by the AOS provider or interexchange carrier at its rates, that the AOS provider's or interexchange carrier's rates may be obtained by calling the operator or the number displayed on the instrument, and the method by which the customer may reach the local exchange company operator. Any user desiring to use another interexchange carrier should be provided means to access the alternate operator. Each COCOT provider shall maintain a current copy of its customer information/instruction form with the Commission. (Reference Page 5 : SAMPLE)
20. The Local Exchange Operator must be accessed through the use of "0" from each COCOT. All 0+ or 0- Local and intraLATA calls must be routed to the Local Exchange Company.
21. Access to the presubscribed interLATA operator may be provided by "00" or 0+ for interLATA calls from each COCOT. "00" shall not be used from any COCOT to reach the Local Exchange Company's Operator.

22. All COCOT Providers (owners) within 30 days of date of certificate shall provide to the Public Service Commission of South Carolina a list of all COCOT access lines maintained in the State of South Carolina. This list shall state the location and telephone number of each COCOT maintained by the provider within the State of South Carolina. Failure to provide the initial listing within 30 days shall result in the revocation of Certificate, unless an extension is granted. Staff can grant one (1) 60 day extension. If listing is not provided within this period, staff will request Commission to revoke Certificate. An applicant would then need to reapply.
23. The Commission Staff may check a representative number of a new COCOT provider's initial locations and if any violations of the guidelines are found, the Staff will issue written notice to the Local Exchange Company to discontinue service to all of the COCOT provider's COCOT locations within the State of South Carolina. After being disconnected the COCOT provider must affirmatively state how and when violations are corrected in each location, if no violations are found, or if violations are promptly corrected. When the COCOT provider has corrected all violations to the provisions of these guidelines, the staff will notify the Local Exchange Company to restore the COCOT provider's access line services.

After the initial inspection of a COCOT provider's initial locations, any instrument inspected and found operating in violation of these rules will be brought to the attention of the COCOT provider. The provider will have ten (10) days from date of notification to correct and to respond to the notification. The failure to correct violations and respond to notification of violations will result in discontinuance of service. (Reference Item No. 17, pg. 10)

24. COCOT providers (owners) using Automated Operator Service will be required to direct all local and IntraLATA calls to the Local Exchange companies' operators. These calls should be completed as dialed by the end user without any change in the digits dialed.
25. COCOT owners are required to file an annual report for the year ending on June 30 of each year. The annual report should provide:

1. Intrastate gross receipts (certificated interexchange carriers who are also certified as a COCOT provider are exempt).
2. Location of each station, and the telephone number.



3. Total number of stations in use beginning and end of year.
  4. Profit and loss statement showing total receipts and total disbursements (certificated interexchange carriers who are also certified as a COCOT provider are exempt).
  5. Total investments at the beginning and ending of the year.
26. A COCOT provider (owner) is required to provide the Commission within ten (10) days of receipt of Certificate, the person or persons and the telephone number to be contacted concerning phones connected pursuant to the certificate.
27. A Local Exchange Company may be requested to cooperate with the Staff in the inspection of customer owned coin or coinless pay telephones in conjunction with the receipt of a complaint from an end user. Violations reported by the local exchange company will be verified by the commission staff, before any action is taken.
28. A telephone directory for the local calling area must be located at the COCOT instrument at all times.